

## **SPECIFICATION AMENDMENTS**

Please amend the specification as follows:

Substitute the paragraph beginning on page 1 at line 20, with the following:

After video is encoded [[in]] according to a video coding format, the encoded video may be transmitted to a client that employs a decoder to decode and present the video. A decoder can decode the sequence of frames by performing operations that are substantially the inverse of the encoding operations. Prior to video transmission, it may be desirable to reduce the bit rate of the encoded video depending on various conditions, such as available network bandwidth, channel capacity, CPU utilization, and client buffer state. By reducing the bit rate in response to changes in such conditions, the encoder can facilitate higher transmission performance and/or higher quality video presentation at the client.